Introduced by Senator Perata (Principal coauthor: Senator Torlakson) (Coauthor: Senator Burton)

(Coauthors: Assembly Members Leno, Mullin, and Wiggins)

February 21, 2003

An act to amend Section 14531 of the Government Code, to amend Sections 182.5, 188.3, 188.4, 30101, 30101.8, 30113, 30600, 30601. 30604, 30606, 30610, 30750, 30751, 30760, 30761, 30791, 30884, 30885, 30887, 30889.3, 30891, 30894, 30910, 30912, 30913, 30915, 30916, 30918, 30919, 30920, 30950, 30950.1, 30950.2, 30950.3, 30950.4, 30953, 30958, 30960, 30961, 31000, and 31010 of, to amend and renumber Section 188.10 of, to add Sections 30881, 30914.5, 30922 and 30950.5 to, and to repeal Sections 30603, 30605, 30608.2, 30752, 30753, 30754, 30755, 30756, 30757, 30762, 30762.5, 30763, 30764, 30764.5, 30765, 30766, 30767, 30791.7, 30792, 30792.2, 30793, 30794, 30795, 30886, 30888, 30889, 30896, and 30956 of, to repeal Article 5 (commencing with Section 30200) and Article 7 (commencing with Section 30350) of Chapter 1 of Division 17 of, to repeal and add Sections 30102.5, 30890, 30911, 30914, 30917, 30921, and 30951 of, the Streets and Highways Code, and to amend Section 5205.5 of the Vehicle Code, relating to transportation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 916, as introduced, Perata. Toll bridge revenues.

Existing law generally makes the California Transportation Commission responsible for establishing the rates charged vehicles for crossing the state-owned toll bridges. Under existing law, the Metropolitan Transportation Commission (MTC) is authorized to adopt SB 916 — 2 —

a toll schedule in lieu of the one adopted by the California Transportation Commission for the state-owned toll bridges in the San Francisco Bay Area. Existing law makes the MTC and the Bay Area Toll Authority (BATA), which is defined as the same body as the MTC, responsible for the programming, administration, and allocation of the revenue from the base toll charge collected from these bridges. Under existing law, a portion of this revenue is continuously appropriated to the Controller who is required to disburse these funds to the MTC to expend for purposes that reduce vehicular congestion on the bridges.

This bill would define the BATA as a separate entity governed by the same governing board as the MTC. The bill would make the BATA responsible for the programming, administration, and allocation of toll revenues from the state-owned toll bridges in the San Francisco Bay Area, including the seismic retrofit surcharge once those projects are completed and provision is made for payment of the bonds issued for those purposes.

The bill would require the City and County of San Francisco and specified counties in the San Francisco Bay Area to conduct a special election on a proposed increase of \$1 in the amount of the base toll rate charged on the state-owned toll bridges in that area. By requiring this election, the bill would impose a state-mandated local program. Because the bill would specify that the revenue resulting from the increased toll charge would be continuously appropriated to the MTC for expenditure on specified projects, it would make an appropriation.

The bill additionally would make related changes and would repeal obsolete provisions relating to the operation of toll facilities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

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The people of the State of California do enact as follows:

SECTION 1. Section 14531 of the Government Code is amended to read:

- 14531. (a) The commission may amend the state transportation improvement program if the amendment meets both of the following conditions:
- (1) The request for the amendment is made by the entity that submitted the project or projects that are in the program and are to be changed by the amendment.
- (2) The total amount programmed in each county for regional improvements does not exceed the county's share prior to the amendment, or the total amount programmed in each county is treated as an adjustment to the share pursuant to Section 188.10 188.11 of the Streets and Highways Code.
- (b) Public notice of the proposed amendments to the program or the plan shall be made at least 30 days before the commission takes formal action on the proposed amendments. The notice shall include the text and complete description of the proposed amendments.
- SEC. 2. Section 182.5 of the Streets and Highways Code is amended to read:
- 182.5. (a) It is the intent of the Legislature that the transition to the new programs and procedures established in the bill enacting this section shall be fair and equitable and minimize disruptions in the delivery of projects. With specific reference to the transition from county minimums to county shares for regional improvement, no project should be counted twice, no project that would be counted under either the old or new procedures should escape being counted in the transition, shares should be sufficient to fund projects programmed in the 1996 State Transportation Improvement Program for the same period, no incentive or reward should be provided for delaying a project, and no incentive or reward should be provided for allocating funds to a project earlier than the year in which the funds are needed for the project.
- (b) At the end of the fiscal year ending June 30, 1998, the county minimums and county minimum deficits shall be recalculated under the law as it existed prior to the enactment of the bill adding this section.

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(c) Notwithstanding Section 164, there shall be set aside sufficient funding for every project that is included in the 1996 State Transportation Improvement Program. This funding shall be set aside in the fund estimate prior to and in addition to the distribution of funding between programs pursuant to Section 164.

- (d) The amount of the cumulative county minimum deficit calculated for any county pursuant to subdivision (b) shall be carried forward as a county share for the 1998 State Transportation Improvement Program, prior to and in addition to the computation of county shares pursuant to subdivision (a) of Section 188.8.
- (e) The commission shall not allocate funds for any project unless the commission has programmed the state transportation improvement program in a manner that complies with the requirements of Sections 188, 188.8, and 188.10 188.11.
- (f) Notwithstanding subdivision (a), for a county within the region defined by Section 66502 of the Government Code where funds were traded in the 1996 State Transportation Improvement Program to another county in that region, the county share for that county for the 1998 State Transportation Improvement Program shall be increased by the amount of the trade in the 1996 State Transportation Improvement Program, as if the share were a county minimum deficit under subdivision (d).
- (g) In adopting the 1998 State Transportation Improvement Program, the commission shall, at a minimum, fund all intercity rail projects that are included in the adopted 1996 State Transportation Improvement Program. The amount of funds programmed for each project shall not be less than the amount in the 1996 State Transportation Improvement Program.
- (h) The commission, after consulting with the department and the regional planning agencies, shall adopt interim guidelines and procedures relative to fund estimates and project selection in a manner that the first state transportation improvement program, pursuant to the provisions of the act adding this section, is adopted not later than June 1, 1998.
- SEC. 3. Section 188.3 of the Streets and Highways Code is amended to read:
- 188.3. The cost of maintenance of all toll bridges under the jurisdiction of the commission shall be paid out of money in the State Highway Account, except that the commission Bay Area Toll Authority shall fund the maintenance costs of each toll bridge in

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the geographic jurisdiction of the Metropolitan Transportation
Commission from the same source used to fund that maintenance
cost during the 1980–81 fiscal year.

- SEC. 4. Section 188.4 of the Streets and Highways Code is amended to read:
- 188.4. (a) Maintenance expenditures on all toll facilities owned by the state shall, for accounting purposes, be classified as Category A or Category B expenditures. Notwithstanding any other provision of law, the cost of maintenance of toll facilities shall be paid in accordance with the following:
- (1) Category A maintenance shall be paid from the State Highway Account and shall include all normal highway maintenance which would be performed by the state according to state procedures as if the facility was a toll-free state facility.
- (2) Category B maintenance shall be paid from toll revenues and shall include all maintenance and reconstruction work of those facilities such as toll facility administration buildings and toll booths which are constructed primarily for the purpose of collecting tolls.
- (b) This section does not prevent the commission from complying with the provisions of any bond resolution in effect on July 1, 1988.
- (e)—In no event shall the maintenance of toll bridges be funded at a lower percentage than was established in accordance with procedures for funding maintenance of the southern bridge unit during the 1986–87 fiscal year, which includes the Dumbarton, the San Mateo-Hayward, and the San Francisco-Oakland Bay Bridges.
- SEC. 5. Section 188.10 of the Streets and Highways Code, as amended by Chapter 596 of the Statutes of 1998, is amended and renumbered to read:

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- 188.11. (a) The commission, with assistance from the department and regional agencies, shall maintain a long-term balance of shares, shortfalls, and surpluses for regional improvement programs.
 - (b) The balance shall include all of the following:
- 38 (1) Shares from the fund estimate for each state transportation 39 improvement program pursuant to Section 14525 of the 40 Government Code.

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(2) Amounts programmed in each state transportation improvement program pursuant to Section 14529 of the Government Code.

- (3) Surpluses or shortfalls due to reservations or advancements pursuant to subdivision (j) of Section 188.8.
- (4) Amounts deducted or added because of changes in project development costs or a cost increase or savings in the final engineering estimate or the final right-of-way certification estimate at the time of allocation for construction, pursuant to subdivisions (d) and (e) of Section 188.8.
- (5) Any supplemental project allocations during or following construction.
- (6) Amounts deducted or added because of amendments to the state transportation improvement program that add, delete, or change the scope and cost of regional improvement projects, pursuant to Section 14531 of the Government Code.
- (c) The balance through the preceding fiscal year shall be made available for review by all regional agencies at the time of each fund estimate, and by not later than August 15 of each year.
- (d) The commission, through the fund estimate, shall restore for the next state transportation improvement program the interregional improvement program level specified in subdivision (a) of Section 164.
- SEC. 6. Section 30101 of the Streets and Highways Code is amended to read:
- 30101. Except as otherwise provided in Section 30886, the *Except as provided in Section 30102.5, the* commission shall fix the rates of toll and other charges for all toll bridges, tubes, or other toll highway crossings acquired or built pursuant to this chapter.
- SEC. 7. Section 30101.8 of the Streets and Highways Code is amended to read:
- 30101.8. (a) The commission may grant toll-free and reduced-rate passage on all toll bridges under its jurisdiction to class I vehicles occupied by three or more persons, including the driver, and to buses. For bridges within the area under the jurisdiction of the Metropolitan Transportation Commission, the commission shall exercise its authority in cooperation with the
- 38 Metropolitan Transportation Commission as otherwise required
- 39 by this division Bay Area Toll Authority may grant toll-free and 40 reduced-rate passage, as provided in Section 30102.5.

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(b) Notwithstanding subdivision (a), tolls on the bridges shall be maintained at rates sufficient to meet any obligation to the holders of bonds secured by the bridge toll revenues, as set forth in any bond resolution in effect on January 1, 1991, or covenants contained in bonds issued pursuant to the bond resolution, and the commission shall revise or eliminate any toll-free or reduced-rate toll schedule adopted pursuant to subdivision (a) as necessary to ensure compliance with those obligations.

 (c) If the commission grants toll-free and reduced-rate passage pursuant to subdivision (a), the commission shall also grant the same toll-free and reduced-rate passage to class I vehicles designed by the manufacturer to be occupied by no more than two persons, including the driver, if these vehicles are occupied by two persons, including the driver.

SEC. 8. Section 30102.5 of the Streets and Highways Code is repealed.

30102.5. (a) Notwithstanding any other provision of this chapter, on and after January 1, 1982, the commission, in establishing toll charges for any particular toll bridge within the area of jurisdiction of the Metropolitan Transportation Commission, shall give consideration to the cost of operating toll bridges or other toll highways, the tolls on which are pledged as security for bonds issued and outstanding. The cost of operating toll bridges and other toll highways includes the cost of insurance, and the amount required annually to meet the redemption of bonds issued and outstanding for which the tolls are pledged as security, and interest payments and interest charges of the bonds issued and outstanding as they fall due for any particular toll bridge or other toll highway. For the Richmond-San Rafael Bridge, costs may include amounts necessary to repay loans from the State Highway Account in the State Transportation Fund.

(b) In establishing toll charges for the toll bridges within the area of jurisdiction of the Metropolitan Transportation Commission, the commission shall also maintain net revenues to be used exclusively for transit capital improvements. The net revenues may not exceed the average financial commitment made toward transit capital improvements from toll revenues, as audited, during the 1977–78 and 1978–79 fiscal years, but may be adjusted annually according to the appropriate inflationary index adopted by the Metropolitan Transportation Commission.

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(e) No new bonds may be issued that are secured by tolls of any particular toll bridge or toll highway within the area of jurisdiction of the Metropolitan Transportation Commission, except for those bonds necessary to finance the completion of the new Dumbarton Bridge and the payment by the Richmond-San Rafael Bridge of loans from the State Highway Account in the State Transportation Fund. Nothing in this section shall be construed to prohibit the issuance of refunding bonds when, in the exercise of its discretion, the commission determines that by so doing a net savings to the state in interest costs will be realized.

- (d) No new loans shall be made from the General Fund or the State Highway Account for any toll bridge or toll highway within the area of jurisdiction of the Metropolitan Transportation Commission.
- SEC. 9. Section 30102.5 is added to the Streets and Highways Code, to read:
 - 30102.5. The Bay Area Toll Authority shall fix the rates of the toll charge, except as provided in Section 30921, and may grant reduced-rate and toll-free passage on the state-owned toll bridges within the jurisdiction of the Metropolitan Transportation Commission.
 - SEC. 10. Section 30113 of the Streets and Highways Code is amended to read:
 - 30113. (a) The commission may utilize net revenues from toll bridges in order to finance research on high technology motion control devices to be used on the bridges.
 - (b) If the Metropolitan Transportation Commission allocates toll bridge net revenues pursuant to as defined in Section 30886 30884, it may utilize net revenues from the bridges under its jurisdiction to finance the research referred to in subdivision (a).
- 31 SEC. 11. Article 5 (commencing with Section 30200) of 32 Chapter 1 of Division 17 of the Streets and Highways Code is 33 repealed.
- 34 SEC. 12. Article 7 (commencing with Section 30350) of 35 Chapter 1 of Division 17 of the Streets and Highways Code is 36 repealed.
- 37 SEC. 13. Section 30600 of the Streets and Highways Code is amended to read:
- 39 30600. As used in this article, "toll the following definitions 40 apply:

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(a) "Authority" means the Bay Area Toll Authority created pursuant to Chapter 4.3 (commencing with Section 30950).

- (b) "Toll bridge" means that certain bridge across San Francisco Bay known as the San Francisco-Oakland Bay Bridge and the approaches thereto.
- SEC. 14. Section 30601 of the Streets and Highways Code is amended to read:
- 30601. The toll bridge and the approaches to it are a primary state highway. No law providing that state highways shall be free highways affects the power or duty of the commission authority to fix the rates of toll for the toll bridge or the power and duty of the department to collect the tolls so fixed by the commission authority for the use of the toll bridge.
- SEC. 15. Section 30603 of the Streets and Highways Code is repealed.
- 30603. The department may cause the toll bridge and structures on approaches to be insured against all risks to such extent as it deems necessary, and shall provide such insurance as may be required by any bond indenture applicable to the toll bridges. The proceeds of such insurance shall be applied to the restoration of the toll bridge and structures on approaches to the same good order, repair, and condition as they were in prior to the damage, insofar as possible.
- SEC. 16. Section 30604 of the Streets and Highways Code is amended to read:
- 30604. The department shall at all times cause the toll bridge to comply with all lawful orders of the United States Secretary of War Defense, the Chief of Engineers of the United States Army, and of any other governmental agency or authority having jurisdiction thereof.
- 31 SEC. 17. Section 30605 of the Streets and Highways Code is repealed.
 - 30605. (a) The cost of operation and insurance of the toll bridge and any additional highway crossing of San Francisco Bay constructed between the County of Alameda and the City and County of San Francisco shall be paid by the department from the tolls and revenues received from the use and operation of the toll bridge and additional highway crossing. The cost of operation and insurance of any toll bridge or other highway crossing upon which tolls are now being collected, or that may hereafter be acquired or

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constructed over the San Francisco Bay, shall be paid by the department from the tolls and revenues received from the use and operation thereof.

(b) The cost of maintenance (exclusive of the approaches) of the toll bridge and any additional highway crossing of San Francisco Bay constructed between the County of Alameda and the City and County of San Francisco shall be paid by the department from the tolls and revenues received from the use and operation of the toll bridge and additional highway crossing, and the cost of maintenance (exclusive of the approaches) of any toll bridge or other highway crossing on which tolls are now being collected or that may hereafter be acquired or constructed over the San Francisco Bay, shall be paid by the department from the tolls and revenues received from the use and operation thereof, except as follows:

If the terms and conditions of any bonds that are outstanding on September 9, 1953, and that are payable from the tolls are such as to require that the cost of physical maintenance of the toll bridge shall be paid from sources other than tolls and revenues from the use and operation of the toll bridge, the cost of the maintenance shall be paid by the department from money accruing and to accrue in the State Highway Account available for the widening, resurfacing, and reconstruction of state highways for the group of counties designated as Group No. 1 in Section 187, until the bonds are refunded or retired or until payment of the cost of maintenance out of tolls and revenues from the toll bridge is authorized in the manner provided in the proceedings authorizing the issuance of the bonds. The State Highway Account shall be reimbursed by the commission for all amounts so expended with interest thereon at the rate of 11/2 percent per annum to be computed on the total amount expended during any one year.

Whenever after September 9, 1953, any bonds secured by pledge of the tolls and revenues of the toll bridge are refunded or retired, in the total then outstanding, the commission shall include, in the proceedings for any new issue of bonds for such purpose, bonds in a sufficient amount to repay to the State Highway Account the amount provided by this section. If the amount is not repaid from the proceeds from the sale of bonds and all revenue bonds secured by revenues on the toll bridge are fully retired, and all other obligations secured by revenues of the toll bridge,

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whether by means of bond issue or other provisions of law, have been fully paid, the repayment shall be made from the tolls and revenues of the toll bridge, and the commission and the department shall fix and collect tolls on the toll bridge at a rate sufficient to include provision for such repayment until the amount required to be paid into the State Highway Account by this section has been paid thereto.

The moneys required to be repaid by this section shall be eredited to the money available for construction of state highways in County Group No. 1 as specified in Section 187.

SEC. 18. Section 30606 of the Streets and Highways Code is amended to read:

30606. (a)—The cost of operating and maintaining the architectural lights on the toll bridge shall be paid by the department from toll bridge revenue funds available for the operation of the toll bridge.

(b) For the purpose of carrying out this section from January 1, 1988, to January 1, 1989, the department's operating expense budget shall be augmented by one person-year and fifty thousand dollars (\$50,000). Thereafter, the expense of carrying out this section shall be included in the annual Budget Act.

SEC. 19. Section 30608.2 of the Streets and Highways Code is repealed.

30608.2. The commission may also vary, as it deems desirable, the rates applicable to vehicles operated on the San Francisco-Oakland Bay Bridge for the carriage of passengers by any municipal or public corporation, transit district, public utility district, or political subdivision, or by any transportation company operating under a certificate of public convenience and necessity.

SEC. 20. Section 30610 of the Streets and Highways Code is amended to read:

30610. Expenditures for maintenance and operation of the Terminal Building in San Francisco shall be *eligible as a* proper charges charge against the revenues of the San Francisco-Oakland Bay Bridge in an amount not to exceed three million dollars (\$3,000,000) in any fiscal year, subject to the adopted budget of the authority and subordinate to the payment of bonds of the authority.

38 SEC. 21. Section 30750 of the Streets and Highways Code is amended to read:

30750. As used in this article:

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(a) "Existing bridge" "Carquinez Bridge" means that those certain bridge spans on Interstate Route 80 across the Carquinez Straits near Crockett, known as the Carquinez Bridge, together with any existing or new and additional approaches thereto necessary or desirable to connect with the present State Highway Routes 7 and 14, or any realignment thereof, which approaches shall extend, constructed to freeway standards, to a point approximately four and one-half miles north of the north end of the bridge, which point is just north of the Greenfield Avenue intersection, and to a point approximately four miles south of the south end of the bridge, which point is just north of the intersection of Routes 14 and 106 additional spans and the toll collection facilities to serve both the existing bridge span and any additional spans.

(b) "Additional Carquinez "Benicia-Martinez Bridge" means a new the toll bridge across the Carquinez Straits near Crockett, to be located approximately parallel to and upstream from the existing bridge, on Interstate Route 680 connecting the Cities of Benicia and Martinez, together with all any existing or new and additional approaches thereto necessary or desirable to connect with the present State Highway Routes 7 and 14 or any realignment thereof, which approaches shall extend, constructed to freeway standards, to a point approximately four and one-half miles north of the north end of the bridge, which point is just north of the Greenfield Avenue intersection, and to a point approximately four miles south of the south end of the bridge, which point is just north of the intersection of Routes 14 and 106, with respect to the present span or any spans and toll collection facilities to serve both the existing for the bridge and the additional toll bridge any additional spans.

(e) "Benicia-Martinez Bridge" means a new toll bridge across Carquinez Straits and connecting, with suitable approaches, the Cities of Benicia and Martinez, such approaches to include improvements southerly to a connection with Route 106 and northerly to a connection with Route 74, approximately one-half mile northwesterly from Second Street in the City of Benicia, and an improvement with necessary or desirable realignment of Route 74 northerly to a connection with Route 7 near Cordelia, and toll collection facilities for the bridge.

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SEC. 22. Section 30751 of the Streets and Highways Code is amended to read:

30751. The department is authorized to lay out, acquire, and construct the additional Carquinez Bridge and the Benicia-Martinez Bridge as defined in this article, and to make such modification, improvement, and reconstruction of the existing bridge bridges as is necessary adequately to handle anticipated traffic and permit the collection of tolls. The existing bridge and the additional Carquinez Bridge may be operated as a single unit.

SEC. 23. Section 30752 of the Streets and Highways Code is repealed.

30752. For the purpose of obtaining funds to carry out the provisions of this article, the commission is authorized to issue revenue bonds. Except as herein otherwise provided, the provisions of the California Toll Bridge Authority Act (Chapter 1 (commencing with Section 30000)) are hereby made applicable to the revenue bonds, and the commission and the department are authorized to do any and all things pursuant to law necessary to finance, construct, and complete the bridges mentioned in this article and the improvement of the existing bridge.

The commission may authorize the issuance of bonds in series in an amount estimated to be sufficient to complete the entire work authorized hereunder in successive stages, and may provide for the issuance and sale of sufficient revenue bonds to finance the construction of the additional Carquinez Bridge and the modification, improvement, and reconstruction of the existing bridge as the initial stage of such work. The commission may insert, in the bond indenture or resolution authorizing the bonds, such conditions as it deems necessary upon the issuance and sale of the additional bonds necessary to finance the acquisition, construction, and completion of the Benicia-Martinez Bridge.

The revenues of each bridge need not be accounted for separately, but may be allocated as security for all of the bonds issued or to be issued hereunder as the commission may determine.

SEC. 24. Section 30753 of the Streets and Highways Code is repealed.

30753. The commission is hereby authorized to reimpose tolls upon the existing bridge and to continue to collect tolls thereon for the purposes of this article, the collection of the tolls

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to commence upon the date the additional Carquinez Bridge is opened to public traffic. The commission is likewise authorized to impose tolls upon the use of the additional Carquinez Bridge when it is opened to public traffic and the Benicia-Martinez Bridge when it is opened to public traffic. The commission may provide for the collection of tolls upon the existing bridge and the additional Carquinez Bridge under such rules and regulations as the commission deems necessary in order to operate both bridges as a single toll bridge. No tolls shall be charged for the use only of the approaches of any of the bridges as the approaches are defined in Section 30750.

Subject to the limitations provided in this article, the tolls shall be used and applied as may be provided in a bond indenture or resolution of the commission authorizing the issuance of bonds for (a) the payment of principal and interest on the bonds; (b) the creation, establishment, and maintenance of reserve and other funds for the protection or retirement of the bonds; (c) operation and insurance expenses; and (d) any other charges in connection with the construction, operation, insuring, and financing of the bridges and the improvement of the existing bridge as may be determined by the commission, including the establishment of rehabilitation and improvement funds for further rehabilitation and improvement of the bridges.

Tolls shall continue to be collected upon the existing bridge, the additional Carquinez Bridge, and the Benicia-Martinez Bridge until all revenue bonds issued under this article have been fully paid and retired.

SEC. 25. Section 30754 of the Streets and Highways Code is repealed.

30754. The cost of operation of the existing bridge, the additional Carquinez Bridge, and the Benicia-Martinez Bridge, including the cost of insurance against loss of tolls or other revenue therefrom shall be paid from the tolls and revenue received from the use and operation of said bridges. The cost of physical maintenance, including the cost of insurance of said bridges against all risks, shall be paid by the department out of funds available to it for the maintenance of state highways. The department shall provide all engineering services for the work authorized in this article and the cost thereof shall be paid from funds available for the construction of state highways in Solano

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and Contra Costa Counties. The department shall proceed immediately with all necessary work, including but not limited to, plans, specifications, estimates of cost, traffic and financial studies for each of such bridges, to the end that each may be constructed as soon as funds can be made available from the proceeds of revenue bonds issued therefor.

SEC. 26. Section 30755 of the Streets and Highways Code is repealed.

30755. The bridges referred to in this article shall become toll free as soon as all bonds issued under this article are fully paid and retired.

SEC. 27. Section 30756 of the Streets and Highways Code is repealed.

30756. While any revenue bonds issued pursuant to this article are outstanding, at such time as funds may be made available to the State of California from any federal interstate or main line highway system program in excess of federal allotments existing on January 1, 1955, the proportionate share of such funds which would have been allotted to the bridges mentioned in this article, or any of them, or the refund obtained because of the construction thereof, to the extent permitted by federal law, shall be credited to Solano and Contra Costa Counties in the proportions expended in each county (the cost of the bridges being evenly divided) for expenditure in accordance with law for construction on the state highways located in said counties.

SEC. 28. Section 30757 of the Streets and Highways Code is repealed.

30757. (a) Upon inclusion of the project in the state transportation improvement program by the commission, the department may design and construct traffic capacity improvements to the Benicia-Martinez Bridge.

(b) At the earliest practicable time, the department may proceed with all preliminary work on an additional toll bridge across the Carquinez Straits parallel to the Benicia-Martinez Bridge, including, but not limited to, environmental studies, layouts, traffic studies, and all other work found to be necessary for construction.

38 (c) The preliminary work shall be funded from that portion of 39 the bridge revenues which exceeds the amount necessary to pay for SB 916 — 16—

the cost of operation and maintenance of the bridge, and to meet all obligations under the bond resolution applicable to the bridge.

SEC. 29. Section 30760 of the Streets and Highways Code is amended to read:

30760. As used in this article:

(a) "Existing bridge" means that bridge connecting the County of Contra Costa near Antioch with the County of Sacramento near Amelia Landing on Sherman Island, known as the Antioch Bridge, together with any existing or new or additional approaches thereto necessary or desirable to connect the present Routes 4, 84, and 160, or any realignment thereof.

(b) "New bridge" or "new Antioch, "Antioch Bridge" means a new the high-level fixed-span bridge across the San Joaquin River near Antioch to be located approximately parallel to and downstream from the existing bridge, together with the approaches thereto necessary or desirable to connect with the present Routes 4, 84, and 160, or any realignment thereof, and including necessary and the toll collection facilities for the bridge. The new bridge shall include a lane for pedestrians and bicycles. SEC. 30. Section 30761 of the Streets and Highways Code is amended to read:

30761. The department is authorized to modify, improve, reconstruct, and remodel the existing bridge Antioch Bridge as is necessary to adequately handle anticipated traffic and permit the collection of tolls.

SEC. 31. Section 30762 of the Streets and Highways Code is repealed.

30762. The department shall design and, as soon as economically feasible, construct a new Antioch Bridge. The department shall explore sources of funding other than revenue bond issuance and, if possible, provide a toll-free facility. In this connection, the department shall seek federal funds for construction and shall comply with all federal requirements. If the department secures federal funds for the construction of the new bridge, the department, to the extent possible, shall use federal funds, prior to using state funds or revenue bond funds, to finance such construction.

38 SEC. 32. Section 30762.5 of the Streets and Highways Code 39 is repealed.

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30762.5. The new Antioch Bridge shall be constructed with a median barrier.

- SEC. 33. Section 30763 of the Streets and Highways Code is repealed.
- 30763. If the department determines that reimposition of tolls on the existing bridge will not jeopardize the possibility of obtaining federal funds to aid in financing the construction of the new bridge, the commission is authorized to reimpose tolls on the existing bridge. Revenues derived from such tolls shall be used solely for the following purposes:
- (a) Modification, improvement, reconstruction, or remodeling of the existing bridge.
- (b) To pay the costs of making studies and performing all preliminary work, including, but not limited to, surveys, plans, estimates of costs, right-of-way appraisals and acquisition, engineering studies, layouts, traffic studies, approach studies, consultant fees, and other preliminary expenses found by the department to be necessary preliminary to the issuance and sale of revenue bonds pursuant to the California Toll Bridge Authority Act (commencing with Section 30000) for the construction of the new Antioch Bridge. All revenues collected shall be deposited in the Antioch Bridge Toll Revenue Fund, which is hereby created, and shall be available for expenditure without regard to fiscal years.
- (e) As security for the payment of revenue bonds issued to finance the construction of the new Antioch Bridge; provided, however, that the department may discontinue operation of the existing bridge upon the opening of the new Antioch Bridge to traffic.
- SEC. 34. Section 30764 of the Streets and Highways Code is repealed.
- 30764. For the purpose of obtaining funds to finance the construction of the new Antioch Bridge, the commission is authorized to issue revenue bonds. Notwithstanding any other provision of law, revenue bonds sold for any purpose authorized by this article may be sold at an interest rate not exceeding 8 percent per year.
- Except as herein otherwise provided, the provisions of the California Toll Bridge Authority Act (commencing with Section 30000) are hereby made applicable to such revenue bonds, and the

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commission and the department are authorized to do any and all
things pursuant to law necessary to finance and to construct the
new Antioch Bridge.

The commission may insert in the bond indenture, or the resolution authorizing such bonds, such conditions as it deems necessary. The commission shall pledge the revenues of the new Antioch Bridge, from and after the date it is opened to traffic, as security for the payment of such bonds.

9 SEC. 35. Section 30764.5 of the Streets and Highways Code 10 is repealed.

30764.5. In the revenue bond issue to finance the construction of a new Antioch Bridge, the commission shall include an amount sufficient to finance the construction of (a) the on and off ramps on Route 21 to Bayshore Road and Channel Road, also designated as the Benicia Viaduet ramps, pursuant to Section 321.1; and (b) the West Seventh Street and Route 680 Interchange in Benicia pursuant to Section 620.1.

SEC. 36. Section 30765 of the Streets and Highways Code is repealed.

30765. As an alternative method of financing the new Antioch Bridge and such construction as specified in Section 30764.5, the commission may issue revenue bonds secured by a pledge of the revenues of the new Antioch Bridge and, on and after December 1, 1979, of the parallel Carquinez Bridges and the Benicia-Martinez Bridge.

If the work is so financed, all revenues collected from the operation of the existing bridge and new Antioch Bridge shall be paid into the same fund as revenues derived from the Carquinez Bridges and Benicia-Martinez Bridge and shall be available for expenditure for the same purposes as the revenues from those bridges.

SEC. 37. Section 30766 of the Streets and Highways Code is repealed.

30766. If the revenue bonds to finance the construction of the new Antioch Bridge are secured by a pledge of the revenues of the parallel Carquinez Bridges, the Benicia-Martinez Bridge, and the new Antioch Bridge, as authorized by Section 30765, all of these bridges may be operated as a single unit. The revenues of each of such bridges need not be accounted for separately, but may be

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allocated as security for all of the bonds issued, or to be issued, by
the commission for these bridges.

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SEC. 38. Section 30767 of the Streets and Highways Code is repealed.

30767. Should at any time it become necessary to operate a vehicle or passenger ferry as a substitute for the existing bridge when it is obstructed to traffic because of accident thereto or repair thereof, or is for any reason unable to fully accommodate traffic, any excess of revenue over expenses of operation of that ferry shall be deposited in the Antioch Bridge Toll Revenue Fund, or, if the alternative method of financing authorized by Section 30765 is used, in the same fund as revenues derived from the parallel Carquinez Bridges and the Benicia-Martinez Bridge are deposited in.

SEC. 39. Section 30791 of the Streets and Highways Code is amended to read:

30791. The department is authorized to modify, improve, reconstruct, and remodel the San Mateo-Hayward Bridge *and the Dumbarton Bridge* as is necessary to adequately handle anticipated traffic and permit the collection of tolls.

SEC. 40. Section 30791.7 of the Streets and Highways Code is repealed.

30791.7. (a) The California Transportation Commission, subject expressly to the provisions of any bond resolution adopted by the California Toll Bridge Authority for the purpose of financing construction of the new Dumbarton Bridge, may pledge and use revenues derived from the operation of the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, the existing Dumbarton Bridge, and the new Dumbarton Bridge upon its opening to traffic for the purpose of financing construction of the approaches to the San Mateo-Hayard Bridge as described in subdivision (a) of Section 30790, including pledging revenues for the payment of revenue bonds issued to finance such construction. This action shall be taken by the California Transportation Commission, only if a study, which shall be conducted by the Metropolitan Transportation Commission of alternative means of financing the approaches recommends that the financing be, in whole or in part, by toll revenues, including the issuance of bonds. In that event, the California Transportation Commission may adopt a plan for the financing and construction

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of the approaches based on the recommendations submitted by the
Metropolitan Transportation Commission.

(b) In authorizing such construction, the Legislature hereby finds and declares that the revenues derived from the operation of the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and the Dumbarton Bridge may be used to finance the completion of the approach system to the San Mateo-Hayward Bridge.

SEC. 41. Section 30792 of the Streets and Highways Code is repealed.

30792. For the purpose of obtaining funds to carry out the provisions of this article, the commission is authorized to issue revenue bonds. Except as otherwise provided in this section, the provisions of the California Toll Bridge Authority Act (Chapter 1 (commencing with Section 30000)) are hereby made applicable to the revenue bonds, and the commission and the department are authorized to do any and all things pursuant to law necessary to finance, reconstruct, and improve the San Mateo-Hayward Bridge and to refinance the Dumbarton Bridge. The commission may authorize the issuance of bonds in series in an amount estimated to be sufficient to complete the entire work authorized in successive stages. The commission may insert, in the bond indenture or resolution authorizing the bonds, such conditions as it deems necessary.

SEC. 42. Section 30792.2 of the Streets and Highways Code is repealed.

30792.2. Upon completion of the studies and preliminary work provided for in Section 30792.1, the California Toll Bridge Authority shall, as promptly as feasible, issue revenue bonds to finance the construction of a new Dumbarton Bridge. Such bonds shall be secured by the revenues deposited in the San Francisco-Oakland Bay Bridge Toll Revenue Fund as provided by Chapter 1 (commencing with Section 30000) of this division and by Section 30794. Such issue of revenue bonds may, to the extent that the authority determines feasible, include funds in an amount sufficient to widen the San Mateo-Hayward Bridge Trestle. Such financing shall be undertaken only to the extent that the authority finds on the basis of the estimates of cost, that anticipated revenue available to it will be sufficient to meet its obligations with respect to the financing of the San Francisco-Oakland Rapid Transit Tube.

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The department having completed its studies for the new Dumbarton Bridge in consultation with the public agencies in whose territory the approaches thereto are located, and the department having completed the environmental impact report on the project, the Legislature finds and declares that the requirements imposed by Chapter 492 of the Statutes of 1972 have been met. The Legislature further declares that the department is authorized to proceed immediately with the construction of the new Dumbarton Bridge and approaches without obtaining further approvals, provided, that the westerly approaches shall include a west approach, a University Avenue connection to the west approach, and a Willow Road connection to the west approach, all located as follows:

The west approach shall commence at the west end of the new bridge and extend along the present westerly Willow Road approach approximately 9,000 feet to a point 450 feet east of the Southern Pacific railroad tracks.

The Willow Road connection to the west approach shall connect to the west approach at its west end and extend along present Willow Road to its intersection with Route 101, a distance of approximately 4,900 feet.

The University Avenue connection to the west approach shall connect to the west approach commencing at a point approximately 6,000 feet west of the west abutment of the existing bridge where it intersects the west approach and extend in a southerly direction to connect with existing University Avenue at Purdue Avenue and along existing University Avenue to Notre Dame Avenue, a distance of approximately 4,000 feet.

The Marsh Road connection to the west approach shall connect with the west approach at a point approximately 450 feet east of the Southern Pacific railroad tracks and extend westerly along a 100-foot wide right-of-way, formerly subject to an easement held by the San Francisco Water Department, to the Marsh Road and Route 101 interchange, a distance of approximately 9,500 feet.

Nothing herein shall be construed to prevent the department from changing the location of any approach or approach connection or from adding any additional approach or approach connection if such change or addition is consented to by the local SB 916 — 22 —

agencies through which it passes and by the San Francisco Bay
Conservation and Development Commission.

SEC. 43. Section 30793 of the Streets and Highways Code is repealed.

30793. The department is authorized to operate the San Mateo-Hayward and Dumbarton Bridges as a single unit, and shall continue to collect tolls on both bridges for purposes of paying any bonded indebtedness presently outstanding or which may be incurred pursuant to this article. Subsequent to a refinancing of any outstanding bonded indebtedness on both bridges, the revenues of each bridge need not be accounted for separately but may be allocated as security for all of the bonds issued pursuant to this article.

The tolls shall be used and applied, as may be provided in a bond indenture or resolution of the commission authorizing the issuance of bonds, for (a) the payment of principal and interest on the bonds; (b) the creation, establishment, and maintenance of reserve and other funds for the protection or retirement of the bonds; (c) operation and insurance expenses; (d) the repayment of the State Highway Account for moneys expended pursuant to Chapter 2416 of the Statutes of 1957; and (e) any other charges in connection with the reconstruction, improvement, operation, insuring, maintenance, and financing of the San Mateo-Hayward Bridge and the refinancing of the Dumbarton Bridge as may be determined by the commission, including the establishment of rehabilitation and improvement funds for further rehabilitation and improvement of the San Mateo-Hayward Bridge and the Dumbarton Bridge.

- SEC. 44. Section 30794 of the Streets and Highways Code is repealed.
- 30794. (a) The department may establish exclusive or preferential use of lanes on the new Dumbarton Bridge and the San Mateo Bridge and the approaches to those bridges for high-occupancy vehicles.
- (b) For the purposes of this section, the new Dumbarton Bridge is that portion of State Highway Route 84 between the new Dumbarton Bridge Toll Plaza on the east side of the bay and the intersection of University Avenue on the west side of the bay.
- (e) For the purposes of this section, the new Dumbarton Bridge approaches are all of the following:

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(1) That portion of State Highway Route 84 between State Highway Route 101 and the bridge on the west side of the bay, known as the "Route 84 connection."

- (2) That portion of University Avenue between Kavanaugh Drive and State Highway Route 84, known as the "University Avenue connection."
- (3) That roadway, known as the Marsh Road connection, sometimes called the Northerly Connector, to be built from the intersection of Haven Avenue and Marsh Road, proceeding in an easterly direction to State Highway Route 84, extending along a 100-foot wide right-of-way, formerly subject to an easement held by the San Francisco Water Department.
- (4) That portion of State Highway Route 84 between State Highway Route 880 and the bridge on the east side of the bay.
- (d) As used in this section, "high-occupancy vehicle" means any vehicle containing two or more persons, except that the department may increase that number to three or more pursuant to subdivision (e).
- (e) (1) The department shall, for purposes of this section, develop criteria for high-occupancy vehicle lanes and the occupancy requirements for vehicles using those lanes which include, but are not limited to, all of the following:
- (A) Traffic congestion based on the vehicles per hour per lane rate.
 - (B) Highway safety.

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- (C) Traffic volume forecasts.
- (D) Available support facilities for high-occupancy vehicles, including, but not limited to, park-and-ride lots and transit facilities.
 - (E) Traffic enforcement safety.
- (F) Conformity with vehicle occupancy requirements of the surrounding area, particularly those for connecting high-occupancy vehicle routes.
- (G) Maximum utilization of lanes.
- 35 (H) Consistency with objectives and strategies of congestion 36 management agencies.
- 37 (I) Conformity with regionally adopted transportation control 38 measures, approved air quality management plans, and regional 39 transportation plans.

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(2) The department shall, using the criteria developed pursuant to paragraph (1), prepare an engineering analysis of the requirements for high-occupancy vehicles and both existing and planned high-occupancy vehicle lanes on the bridges and the approaches to the bridges. Any proposed increase in the number of occupants required for a vehicle to come within the definition a high-occupancy vehicle shall be implemented only after consulting with the Metropolitan Transportation Commission and holding a public meeting.

(3) The department shall notify the Legislature, at least 30 days prior to holding the public meeting required by paragraph (2), of any proposed increase in the number of occupants required for a vehicle to come within the definition of a high-occupancy vehicle. Section 30795 of the Streets and Highways Code is SEC. 45. repealed.

30795. The cost of operation of both bridges, including the cost of insurance against loss of tolls or other revenue therefrom, shall be paid from the tolls and revenue received from the use and operation of said bridges. The cost of physical maintenance, including the cost of insurance of said bridges against all risks, shall be paid by the department as provided in Section 188.3 of this code.

- SEC. 46. Section 30881 is added to the Streets and Highways Code, to read:
- "Authority" means the Bay Area Toll Authority. 30881.
- SEC. 47. Section 30884 of the Streets and Highways Code is amended to read:
- 30884. (a) "Net transit revenues" means those revenues of a toll bridge that are in excess of the amount required (a) to the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and the Dumbarton Bridge determined by the authority as derived from the toll increase instituted by the commission in 1977. The calculation of the amount of the net transit revenues is approximately equal to 16 percent of the revenue generated each year from the collection of the base toll at its level in existence for 36 the 2001–02 fiscal year on the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and the Dumbarton Bridge.
- 39 (b) The net transit revenues are subordinate to all of the 40 following:

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(1) The obligation to pay necessary costs of toll collection operation, rehabilitation, and necessary safety improvements, (b) to meet the.

- (2) The obligations assumed by of the California Transportation Commission authority under any bond resolution or indenture applicable to the toll-bridge, and (e) to bridges.
- (3) The obligation to repay any advances made to the department from any other source for studies and work preliminary to the financing of any toll bridge project.
- SEC. 48. Section 30885 of the Streets and Highways Code is amended to read:
- 30885. "Toll bridge" means any *state-owned* bridge under the jurisdiction of the California Transportation Commission, including the approaches to the toll bridge from the nearest highway that is not for the exclusive use of toll bridge traffic, and located within the region under the jurisdiction of the commission.
- 17 SEC. 49. Section 30886 of the Streets and Highways Code is 18 repealed.
 - 30886. Upon securing the required consent of the holders of outstanding bonds on the toll bridge, and of the federal government where necessary, the Metropolitan Transportation Commission may adopt a toll schedule in lieu of the one adopted by the California Transportation Commission for a toll bridge located within the region under its jurisdiction and allocate the net revenues therefrom pursuant to this article.
 - SEC. 50. Section 30887 of the Streets and Highways Code is amended to read:
 - 30887. The Metropolitan Transportation Commission shall adopt a toll schedule only after (a) it has held public hearings within the region under its jurisdiction and (b) the California Transportation Commission has approved the proposed toll schedule.
 - However, the California Transportation Commission authority may increase the toll rates specified in the adopted toll schedule if this is necessary in order to enable the California Transportation Commission authority to meet its obligations under any bond resolution *or indenture*.
- 38 SEC. 51. Section 30888 of the Streets and Highways Code is repealed.

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30888. The California Transportation Commission shall expeditiously approve the toll schedule proposed by the Metropolitan Transportation Commission, unless the California Transportation Commission finds and determines that the proposed toll schedule will result in either of the following:

- (a) Will not generate sufficient revenues (1) to pay required costs of operation, rehabilitation, and necessary safety improvements, (2) to meet the obligations assumed by the California Transportation Commission under any bond resolution applicable to the toll bridge, and (3) to repay any advances made to the department from any source for studies and work preliminary to the financing of any toll bridge project.
- (b) Will adversely affect any state interest, including, but not limited to, the safe and efficient movement of traffic and the collection of tolls.
- SEC. 52. Section 30889 of the Streets and Highways Code is repealed.
- 30889. The commission, in establishing toll charges for toll bridges, shall give consideration to the cost of operating toll bridges, the tolls on which are pledged as security for bonds issued and outstanding. The cost of operation shall include the cost of insurance, the amount required annually to meet the redemption of bonds issued and outstanding from which tolls are pledged as security, and the interest payments of the bonds issued and outstanding as they fall due for any particular toll bridge. The commission shall also establish tolls in order to generate net revenues to be used exclusively for transit capital improvements. The net revenues may not exceed the average annual financial commitment made toward transit capital improvements from toll revenues, as audited, during the 1977-78 and 1978-79 fiscal years, but may be adjusted annually according to the appropriate inflationary index. In adopting a toll schedule for a toll bridge, the commission may also seek to (a) decrease traffic flow on the bridge, (b) change peak traffic characteristics to achieve more efficient utilization of the bridge, and (c) change traffic network patterns.
- 37 SEC. 53. Section 30889.3 of the Streets and Highways Code 38 is amended to read:
- 39 30889.3. (a) Notwithstanding any other provision of law, the 40 Metropolitan Transportation Commission shall *The authority may*

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grant toll-free passage or may adopt, for implementation not later than June 30, 1991, a reduced-rate schedule of tolls for elass I vehicles occupied by three or more persons, including the driver, and for buses crossing the Carquinez and Martinez-Benicia Bridges bridges. The reduced-rate toll for those vehicles shall be determined by the Metropolitan Transportation Commission authority in cooperation consultation with the Department of Transportation department, and may consist of reduced daily tolls or an annual payment in lieu of daily tolls. The reduced-rate toll schedule adopted by the Metropolitan Transportation Commission shall be approved by the California Transportation Commission in accordance with Section 30888. If the authority grants toll-free passage or adopts a reduced-rate toll schedule under this subdivision, it shall grant toll-free passage or adopt the same schedule for class I vehicles designed by the manufacturer to be occupied by not more than two persons, including the driver, if these vehicles are occupied by two persons, including the driver.

(b) Notwithstanding subdivision (a), tolls Tolls on the bridges shall be maintained at rates sufficient to meet any obligation covenants or obligations to the holders of bonds secured by the bridge toll revenues, as set forth in any bond resolution in effect on January 1, 1991, or covenants indenture or obligation contained in bonds issued pursuant to the bond resolution or indenture, and the California Transportation Commission authority shall revise or eliminate the reduced-rate toll schedule adopted pursuant to subdivision (a) as necessary to ensure compliance with those covenants and obligations.

- (c) The authority may also vary, as it deems advisable, the toll rates applicable to a vehicle operated on the bridges for the carriage of passengers by any municipal or public corporation, transit district, public utility district, political subdivision, or by a transportation company operating under a certificate of public convenience and necessity.
- SEC. 54. Section 30890 of the Streets and Highways Code is repealed.
- 30890. At least once each quarter, the department shall deposit the net revenues in the Toll Bridge Revenues Account, which is hereby created, in the State Transportation Fund.
- The funds in the account are hereby continuously appropriated to the Controller, who shall, after deductions for administrative

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1 cost incurred pursuant to this section, allocate, at least quarterly, 2 the remaining funds to the commission.

- 3 SEC. 55. Section 30890 is added to the Streets and Highways 4 Code, to read:
 - 30890. The authority shall transfer the net transit revenues, as defined in Section 30884, to the commission on a regularly scheduled basis as set forth in the authority's annual budget resolution.
- 9 SEC. 56. Section 30891 of the Streets and Highways Code is 10 amended to read:
 - 30891. The commission may retain, for its cost in administering this article, an amount not to exceed one-quarter of 1 percent of the net revenues allocated by it pursuant to Section 30892 and of the net revenues allocated by it pursuant to subdivision (b) of Sections 30913 and 30914 and paragraph (4) of subdivision (a) of Section 30914.
 - SEC. 57. Section 30894 of the Streets and Highways Code is amended to read:
 - 30894. The commission shall adopt and distribute procedures for the submission of applications for funding and allocation of funds. Only those applications for projects which that will implement the commission's eapital transit planning objectives in the vicinity of toll bridges as set forth in its adopted regional transportation plan, or the commission's objectives with respect to ferry systems, shall be approved.
 - SEC. 58. Section 30896 of the Streets and Highways Code is repealed.
 - 30896. Nothing in this article shall be construed to prohibit the construction of a new Antioch Bridge pursuant to Section 30762 or of a new Dumbarton Bridge pursuant to Section 30792.2, and the pledge and use of the revenues of other toll bridges in connection with the issuance of revenue bonds to finance such construction if authorized by other provisions of law.
 - In such a case, the department shall finance the construction of a new Antioch Bridge or a new Dumbarton Bridge, or both, as the case may be, in such a manner so as to maximize the amount of net revenues for deposit in the Toll Bridge Revenues Account in the State Transportation Fund.
- 39 SEC. 59. Section 30910 of the Streets and Highways Code is 40 amended to read:

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(a) For purposes of this chapter, the The state-owned toll bridges in the region under within the geographic jurisdiction of the Metropolitan Transportation Commission are elassified as 4 being in the northern bridge unit or the southern bridge unit.

- (b) The northern bridge unit is comprised of the following bridges, which shall be operated and financed as a single unit the following bridges:
 - (1) Antioch Bridge.
 - (2) Benicia-Martinez Bridge.
- 10 (3) Carquinez Bridges.
 - (4) Dumbarton Bridge.
- 12 (5) Richmond-San Rafael Bridge.
- 13 (c) The southern bridge unit is comprised of the following bridges, which shall be operated and financed as a single unit: 14
 - (1) Dumbarton Bridge.
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- 17 (6) San Mateo-Hayward Bridge.
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- 19 (7) San Francisco-Oakland Bay Bridge.
 - (b) The Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridges, and the Richmond-San Rafael Bridge are at all times classified as the northern bridge unit, and the Dumbarton Bridge, the San Mateo-Hayward Bridge, and the San Francisco-Oakland Bay Bridge are at all times classified as the southern bridge unit. For purposes of operation, rehabilitation, maintenance, and financing, all of the bridges are classified as a single enterprise.
 - SEC. 60. Section 30911 of the Streets and Highways Code is repealed.
 - 30911. (a) Existing accounts used to record toll bridge revenues and expenditures of the northern bridge unit shall be designated as subaccounts within the San Francisco Bay Bridges-Northern Unit Account, which is hereby created in the State Transportation Fund.
 - (b) Existing accounts used to record toll bridge revenues and expenditures of the southern bridge unit shall be designated as subaccounts within the San Francisco Bay Bridges-Southern Unit Account, which is hereby created in the State Transportation Fund.
- 39 (c) Revenues in each of the accounts created by this section 40 shall be kept segregated and set apart from other funds.

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(d) (1) After the requirements of any bond resolution of the 1 2 California Transportation Commission for any outstanding 3 revenue bonds have been met, the department shall transfer, at least quarterly, the revenues defined in subdivision (b) of Sections 4 5 30913 and 30914, and paragraph (4) of subdivision (a) of Section 6 30914, to the Toll Bridge Revenues Account in the State 7 Transportation Fund. The funds transferred are hereby continuously appropriated to the Controller, who shall maintain a 9 separate account for the revenues transferred pursuant to each of the subdivisions specified in this subdivision. At least quarterly, 10 11 after deductions for administrative costs, the Controller shall, subject to the terms and conditions of a bond resolution or 12 13 indenture adopted or authorized by the commission and approved 14 by the Metropolitan Transportation Commission pursuant to Section 30920, disburse any such funds available to the 15 Metropolitan Transportation Commission which shall expend 16 17 them for the purposes specified in subdivision (b) of Section 30913 18 or 30914, or paragraph (4) of subdivision (a) of Section 30914. 19

- (2) For purposes of paragraph (1), the revenues defined in subdivision (b) of Sections 30913 and 30914 and paragraph (4) of subdivision (a) of Section 30914 include all revenues accruing since January 1, 1989.
- SEC. 61. Section 30911 is added to the Streets and Highways 24 Code, to read:
 - 30911. (a) The authority shall maintain the Bay Area Toll Account and other subaccounts it deems necessary and appropriate to document toll revenue and operating expenditures in accordance with generally accepted accounting principles.
 - (b) (1) After the requirements of any bond resolution or indenture of the authority for any outstanding revenue bonds have been met, the authority shall transfer on a regularly scheduled basis as set forth in the authority's annual budget resolution, the revenues defined in subdivision (b) of Section 30913 and Section 30914 to the commission. The funds transferred are continuously appropriated to the commission to expend for the purposes specified in subdivision (b) of Section 30913 and Section 30914.
 - (2) For the purposes of paragraph (1), the revenues defined in subdivision (b) of Sections 30913 and 30914 include all revenues accruing since January 1, 1989.

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SEC. 62. Section 30912 of the Streets and Highways Code is amended to read:

- 30912. (a) Revenue derived from tolls on all bridges in a bridge unit may be expended on any bridge and its approaches in that unit, subject to the adopted annual budget of the authority, for any of the following purposes:
- (1) Safety and operational costs, including toll collection and insurance.
- (2) Costs of bridge construction and improvement projects specified in Sections 30913 and 30914, including debt service and sinking fund payments on bonds to be issued by the California Transportation Commission authority for those projects. The repayment of any advances from other state funds may be made from the toll revenue or bond proceeds. No additional bonds secured by the revenues of any bridge specified in Section 30910 shall be issued without the further approval of the Legislature, except to finance, in whole or in part, the projects authorized by this chapter or to refund bonds issued to finance those projects, if, in the opinion of the California Transportation Commission, a saving in interest costs can be achieved by such refunding.
- (b) However, the The revenue determined by the authority as derived from the toll increase approved in 1988, and authorized by Sections 30916 and Section 30917 for Class I vehicles on the San Francisco-Oakland Bay Bridge shall be used, to the extent specified in paragraph (4) of subdivision (a) of Section 30914, for the construction of rail extensions specified in Section 30914 or for payment of the principal of, and interest on, bonds issued for those projects, including payments into a sinking fund maintained for that purpose.
- (c) Maintenance of the bridges specified in Section 30910 shall be funded in accordance with procedures for funding maintenance of the southern bridge unit during the 1986–87 fiscal year.
- SEC. 63. Section 30913 of the Streets and Highways Code is amended to read:
- 30913. (a) In addition to any other authorized expenditure of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges in the northern bridge unit:
 - (1) Benicia-Martinez Bridge: Widening of the existing bridge.
- (2) Benicia-Martinez Bridge: Construction of an additional span parallel to the existing bridge.

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(3) Carquinez Bridge: Replacement of the existing western span.

- (4) Richmond-San Rafael Bridge: Major rehabilitation of the bridge, and development of a new easterly approach between the toll plaza and Route 80, near Pinole, *known as the Richmond Parkway*.
- (b) Notwithstanding Section 30895.5, up to 3 percent of the revenues as derived from the toll increase authorized by Sections 30916 and 30917 on all bridges in the northern bridge unit may be allocated by the Metropolitan Transportation Commission. The toll increase approved in 1988, which authorized a uniform toll of one dollar (\$1.00) for two-axle vehicles on the bridges and corresponding increases for multi-axle vehicles, resulted in the following toll increases for two axle vehicles on the bridges:

16	Bridge	1988 Increase
17		(Two-axle vehicles)
18	Antioch Bridge	\$0.50
19	Benicia-Martinez Bridge	.60
20	Carquinez Bridge	.60
21	Dumbarton Bridge	.25
22	Richmond-San Rafael Bridge	.00
23	San Francisco-Oakland Bay Bridge	.25
24	San Mateo-Hayward Bridge	.25

Portions of the 1988 toll increase were dedicated to transit purposes, and these amounts shall be calculated as 2 percent of the revenue generated each year by the collection on all bridges of the base toll at the level established by the 1988 increase. The commission shall allocate one-third of these amounts for transportation projects, other than those specified in Sections 30912, 30913, and 30914, which are designed to reduce vehicular traffic congestion and improve bridge operations on any bridge in that group, including, but not limited to, bicycle facilities and for the planning, construction, operation, and acquisition of rapid water transit systems. An additional 2 percent of the revenues derived from the toll increase authorized by Sections 30916 and 30917 shall be allocated by the Metropolitan Transportation Commission and expended The commission shall allocate the remaining two-thirds solely for the planning, construction,

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operation, and acquisition of rapid water transit systems. The plans for the projects may also be funded by these moneys. This section does not authorize any allocation of funds for any transit project which is inconsistent with or which violates the terms of any bond resolution of the California Transportation Commission pursuant to which bonds are outstanding on the effective date of the act amending this section at the 1989–90 Regular Session.

- (c) The department shall not include, in the plans for the new Benicia-Martinez Bridge, toll plazas, highways, or other facilities leading to or from the Benicia-Martinez Bridge, any construction which that would result in the net loss of any wetland acreage.
- (d) With respect to the Benicia-Martinez and Carquinez Bridges, the department shall consider the potential for rail transit as part of the plans for the new structures specified in paragraphs (2) and (3) of subdivision (a).
- (e) At the time the first of the new bridges specified in paragraphs (2) and (3) of subdivision (a) is opened to the public, there shall be a lane for the exclusive use of pedestrians and bicycles available on at least, but not limited to, the original span at Benicia or Carquinez, or the additional or replacement spans planned for those bridges. The design of these bridges shall not preclude the subsequent addition of a lane for the exclusive use of pedestrians and bicycles.
- SEC. 64. Section 30914 of the Streets and Highways Code is repealed.
- 30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges in the southern bridge unit:
- (1) Dumbarton Bridge: Improvement of the western approaches from Route 101 if affected local governments are involved in the planning.
- (2) San Mateo-Hayward Bridge and approaches: Widening of the bridge to six lanes, construction of rail transit capital improvements on the bridge structure, and improvements to the Route 92/Route 880 interchange.
- (3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.

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36 37 (4) Not less than 90 percent of the revenues derived from the toll increase for Class I vehicles on the San Francisco-Oakland Bay Bridge authorized by Sections 30916 and 30917 shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on that bridge.

- (b) Notwithstanding Section 30895.5, up to 3 percent of the revenues derived from the toll increase authorized by Sections 30916 and 30917 on all bridges in the southern bridge unit may be allocated by the Metropolitan Transportation Commission for transportation projects, other than those specified in Sections 30912, 30913, and 30914, which are designed to reduce vehicular traffic congestion on any bridge in that group, including, but not limited to, bicycle facilities and for the planning, construction, operation, and acquisition of rapid water transit systems. An additional 2 percent of the revenues derived from the toll increase authorized by Sections 30916 and 30917 shall be allocated by the Metropolitan Transportation Commission and expended solely for the planning, construction, operation, and acquisition of rapid water transit systems. The plans for the projects may also be funded by these moneys. This section does not authorize any allocation of funds for any transit project which is inconsistent with or which violates the terms of any bond resolution of the California Transportation Commission pursuant to which bonds are outstanding on the effective date of the act amending this section at the 1989-90 Regular Session.
- (c) The department shall report to the Legislature on the structural feasibility of incorporating rail transit on the San Mateo-Hayward Bridge during the preliminary design phase for widening that bridge.
- 30 SEC. 65. Section 30914 is added to the Streets and Highways 31 Code, to read:
 - 30914. (a) In addition to any other authorized expenditures of toll bridge revenues, the following major projects may be funded from toll revenues of all bridges:
 - (1) Dumbarton Bridge: Improvement of the western approaches from Route 101 if affected local governments are involved in the planning.
- 38 (2) San Mateo-Hayward Bridge and approaches: Widening of 39 the bridge to six lanes, construction of rail transit capital

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improvements on the bridge structure, and improvements to the Route 92/Route 880 interchange.

- (3) Construction of West Grand connector or an alternate project designed to provide comparable benefit by reducing vehicular traffic congestion on the eastern approaches to the San Francisco-Oakland Bay Bridge. Affected local governments shall be involved in the planning.
- (4) Not less than 90 percent of the revenues determined by the authority as derived from the toll increase approved in 1988 for Class I vehicles on the San Francisco-Oakland Bay Bridge authorized by Section 30917 shall be used exclusively for rail transit capital improvements designed to reduce vehicular traffic congestion on that bridge. This amount shall be calculated as 21 percent of the revenue generated each year by the collection of the base toll at the level established by the 1988 increase on the San Francisco-Oakland Bay Bridge.
- (b) If the voters approve a toll increase in 2004 pursuant to Section 30921, the authority may fund the following major projects that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, from toll revenues of all bridges:
- (c) Not less than _____ percent of the revenues generated from the 2004 toll increase shall be made available annually for the purpose of providing operating assistance for transit services as set forth in the authority's annual budget resolution. The funds shall be made available to the provider of the transit services subject to the performance measures described in Section 30914.5. If the funds cannot be obligated for operating assistance consistent with the performance measures, these funds may be obligated for other purposes consistent with this chapter.
- (d) For all projects authorized under subdivision (b), the project sponsor shall submit an initial project report to the authority before July 1, 2004. This report shall include all information required to describe the project in detail, including the status of any environmental documents relevant to the project, additional funds required to fully fund the project, the amount, if any, of funds expended to date, and a summary of any impediments to the completion of the project. This report, or an updated report, shall include a detailed financial plan and shall notify the authority if the project sponsor will request toll revenue within the

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subsequent 12 months. The project sponsor shall update this report as needed or requested by the authority or the commission. No funds shall be allocated by the authority or the commission for any project authorized by subdivision (b) until the project sponsor submits the initial project report, and the report is reviewed and approved by the commission.

- (e) If a project sponsor cannot meet its performance measures or if the project cannot be completed or cannot continue due to project delivery or financing obstacles making the completion or continuation of the project unrealistic, the commission shall consult with the project sponsor. After consulting with the sponsor, the commission shall hold a public hearing concerning the project. After the hearing, the commission may vote to modify the project's scope, decrease its level of funding, or to reassign all of the funds to another project within the same corridor.
- (f) If the voters approve a toll increase in 2004 pursuant to Section 30921, the authority shall within 24 months of the election date, include the projects in its long-range plan that are consistent with the commission's findings required by this section and Section 30914.5. The authority shall update its long-range plan as required to maintain its viability as a strategic plan for funding projects authorized by this section.
- SEC. 66. Section 30914.5 is added to the Streets and Highways Code, to read:
- 30914.5. (a) Prior to the allocation of revenue for transit operating assistance under subdivision (c) of Section 30914, the commission shall adopt performance measures related to fare-box recovery, ridership, and other performance measures as needed.
- (b) The commission shall execute an operating agreement with the sponsors of the projects described in subdivision (c) of Section 30914. This agreement shall include, at a minimum, a fully funded operating plan that conforms to and is consistent with the adopted performance measures. The agreement shall also include a schedule of projected fare revenues or other operating revenues to indicate that the service is viable in the near-term and is expected to meet the adopted performance measures in future years.
- (c) Prior to the annual allocation of transit operating assistance funds by the commission pursuant to subdivision (c) of Section 30914, project sponsors shall present an annual report to the

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commission that contains an audit opinion on the status and cost of the project and its compliance with the performance measures.

SEC. 67. Section 30915 of the Streets and Highways Code is amended to read:

30915. With respect to all construction and improvement projects specified in Sections 30913 and 30914, *project sponsors and* the department shall seek funding from all other potential sources, including, but not limited to, the State Highway Account and federal matching funds. *The project sponsors and department shall report to the authority concerning the funds obtained under this section.*

SEC. 68. Section 30916 of the Streets and Highways Code is amended to read:

30916. (a) Not later than 60 days after the effective date of the amendments made to this section by Senate Bill 47 of the 1997–98 Regular Session, tolls on The base toll rate for vehicles crossing the state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission are as commission as of January 1, 2003, is as follows:

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21	Number of Axles	Toll
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23	Two axles	\$ 1.00
24	Three axles	3.00
25	Four axles	5.25
26	Five axles	8.25
27	Six axles	9.00
28	Seven axles & more	10.50

(b) If the voters approve a toll increase in 2004, pursuant to Section 30921, commencing July 1, 2004, the base toll rate for vehicles crossing the bridges described in subdivision (a) is as follows:

35	Number of axles	Toll
36	Two axles	\$ 2.00
37	Three axles	4.00
38	Four axles	6.25
30	Five axles	7.25

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Six axles 10.00 Seven axles & more 11.50

- (c) The authority shall increase the amount of the toll if required to meet its obligations on any bonds or to satisfy its covenants under any bond resolution or indenture. The authority shall hold a public hearing before adopting a toll schedule reflecting the increased toll charge.
- (d) Nothing in this section shall be construed to prohibit the adoption of either a discounted commute rate for two-axle vehicles or of special provisions for high-occupancy vehicles under terms and conditions prescribed by the Metropolitan Transportation Commission authority in consultation with the department.
- SEC. 69. Section 30917 of the Streets and Highways Code is repealed.
- 30917. (a) The tolls on any of the bridges specified in Section 30910 shall not be increased prior to the availability of the results of a special election to be held in the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Solano to determine whether the residents of those counties approve a uniform toll of one dollar (\$1) for Class I vehicles. The revenue derived from the toll increase shall be used to finance capital outlay for bridge construction and major bridge improvement projects as is fiscally practicable. Not less than 90 percent of the increase in revenue derived only from the Class I vehicles on the San Francisco-Oakland Bay Bridge shall be used to finance rail extensions and improvement projects designed to reduce vehicular traffic congestion on that bridge and its approaches, as specified in Section 30914.
- (b) Notwithstanding any provision of the Elections Code, the board of supervisors of each of the counties and the city and county specified in subdivision (a) shall call a special election to be conducted in each of those counties and the city and county, which shall be consolidated with the November 8, 1988, general election. The following question shall be presented to the voters of each of the counties as Regional Measure 1, to be stated in the ballot separately from state and local measures:
- "Shall the California Transportation Commission and the Metropolitan Transportation Commission be authorized to undertake a revenue bond program to finance major bridge

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improvements, the construction of new bridges, and mass transit extensions designed to reduce bridge traffic in the bay area, to be financed by bridge tolls which shall not exceed one dollar (\$1) for passenger vehicles?"

- (e) The results of the special election shall be reported by the county clerks to the California Transportation Commission and the Metropolitan Transportation Commission. If a majority of all of the voters voting on the question at the special election vote affirmatively, the California Transportation Commission shall adopt the toll schedule proposed by the Metropolitan Transportation Commission which shall become effective January 1, 1989.
- (d) If a majority of all of the voters voting on the question at the special election vote negatively, this chapter shall be repealed on the day following the day on which the election results are certified.
- (e) Except as provided in Section 30918, the toll rates contained in a toll schedule adopted by the California Transportation Commission pursuant to this section shall not be changed without further authorization by the Legislature.
- SEC. 70. Section 30917 is added to the Streets and Highways Code, to read:
- 30917. Pursuant to a special election in 1988 held in the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Solano, the voters approved a uniform toll charge of one dollar (\$1) for Class I vehicles crossing the state-owned toll bridges within the geographic jurisdiction of the commission. Except as provided in Section 30914, the revenue derived from that toll increase shall be used to finance capital outlay for bridge construction and major bridge improvements as is fiscally practicable.
- SEC. 71. Section 30918 of the Streets and Highways Code is amended to read:
- 30918. (a)—It is the intention of the Legislature to maintain tolls on all of the bridges specified in Section 30910 at rates sufficient to meet any obligation to the holders of bonds secured by the bridge toll revenues. The California Transportation Commission authority shall retain authority to set the toll schedule only as may be necessary to meet those bond obligations and to satisfy its covenants under any bond resolution or indenture.

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(b) Nothing in this chapter shall be construed to prevent the California Transportation Commission from complying with the provisions of any bond resolution in effect on July 1, 1988.

- SEC. 72. Section 30919 of the Streets and Highways Code is amended to read:
 - 30919. (a) Consistent with its adopted regional transportation plan, after the requirements for debt service on the outstanding toll bridge revenue bonds have been met, the Metropolitan Transportation Commission shall allocate the revenues identified in subdivision (b) of Sections Section 30913- and 30914 to eligible public entities and to the department.
- (b) The revenues expended pursuant to paragraph (4) of subdivision (a) of Section 30914 shall be expended on rail extension and improvement projects designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge. Seventy percent of the revenues shall be expended on rail extensions and improvement projects in the Counties of Alameda and Contra Costa, including, but not limited to, extending the regional rail system in the Concord-Antioch, Fremont-San Jose, and the Bayfair-Livermore rail transit corridors. The remaining 30 percent shall be expended on rail extensions and improvement projects in the City and County of San Francisco and the Counties of San Mateo and Santa Clara.
- (c) The department shall update the "point of origin" study related to the Eastbay/Westbay origin of commute trips on the San Francisco-Oakland Bay Bridge and report its findings to the Legislature by January 1, 1990 commission may commit to multi-year allocations and expenditures for projects over extended time periods to maximize funding opportunities and project progress.
- SEC. 73. Section 30920 of the Streets and Highways Code is amended to read:
- 30920. (a) The California Transportation Commission authority may, notwithstanding subdivision (c) of Section 36 30102.5, issue toll bridge revenue bonds under the California Toll Bridge Authority Act (Chapter 1 (commencing with Section 30000) of Division 17) to finance any or all of the projects, including those specified in Sections 30913 and 30914, if the issuance of the bonds does not adversely affect the minimum

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amount of toll revenue proceeds designated in Sections 30913 and 30914 for rail extension and improvement projects and transit projects to reduce vehicular traffic. A determination of the California Transportation Commission authority that a specific project or projects shall have no adverse effect will be binding and conclusive in all respects.

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(b) (1) The Metropolitan Transportation Commission may, notwithstanding subdivision (c) of Section 30102.5, request the California Transportation Commission to issue bonds to finance the rail extension and improvement projects specified in subdivision (b) of Section 30913 and in paragraph (4) of subdivision (a) of, and subdivision (b) of, Section 30914. The expenses of issuance of the bonds, including, but not limited to, fees of financial and other consultants, bond counsel, printing, and personnel costs, the cost of insurance, and all other costs required only to comply with the requirements of the resolution authorizing the issuance of those bonds, may be either paid from bond proceeds or from any revenues available to the Metropolitan Transportation Commission for that purpose.

(2) The Metropolitan Transportation Commission may, in its discretion, request the Controller to allocate all or a portion of the funds in the accounts described in subdivision (d) of Section 30911 in accordance with, and subject to the terms and conditions of, a bond resolution or indenture adopted or authorized by the California Transportation Commission and approved by the Metropolitan Transportation Commission. The Metropolitan Transportation Commission, following a request to the Controller and approval of the bond resolution or indenture of the California Transportation Commission, shall be subject to the terms and conditions of the bond resolution or indenture and the Controller shall only allocate all or a portion of the funds described in subdivision (d) of Section 30911 in a manner fully consistent with the terms and conditions of the bond resolution or indenture. The bonds may be issued pursuant to the California Toll Bridge Authority Act. The California Transportation Commission, upon the approval of the Metropolitan Transportation Commission, may request a loan from the Pooled Money Investment Account in accordance with, and subject to the terms and conditions of, Sections 16312 and 16313 of the Government Code.

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 (e) The California Transportation Commission shall authorize the issuance of bonds requested by the Metropolitan Transportation Commission pursuant to paragraph (1) of subdivision (b).

- SEC. 74. Section 30921 of the Streets and Highways Code is repealed.
- 30921. (a) The department shall prepare, or cause to be prepared, a detailed traffic engineering study which evaluates the existing bridge and approach limits of the seven bridges specified in Section 30910. The study shall include an evaluation of the ability of these approaches to accommodate the carrying capacity of these bridges, including any planned lane additions identified by the department pursuant to Senate Resolution 46 of the 1985–86 Regular Session.
- (b) As part of its plans for constructing a new bridge or bridge widening in the San Francisco Bay area, the department shall include an evaluation of whether there will be a balanced design between the bridge and its approaches as a result of the construction.
- (e) The department shall transmit the results of its study to the Legislature by January 1, 1990, and, as part of that transmittal, shall include its recommendations for mitigating any problems identified as part of the study.
- SEC. 75. Section 30921 is added to the Streets and Highways Code, to read:
- 30921. (a) The toll rate for vehicles crossing the bridges described in Section 30916 shall not be increased to the rate described in subdivision (b) of Section 30916 prior to the availability of the results of a special election to be held in the City and County of San Francisco and the Counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara, and Solano to determine whether the residents of those counties and of the City and County of San Francisco approve a toll increase in the amount of one dollar (\$1) per vehicle. The revenue derived from this toll increase shall be used to finance capital outlay for construction improvements, the acquisition of transit vehicles, transit operating assistance, and other improvement projects to reduce congestion and to improve travel options on the bridge corridors as is fiscally practicable.
- (b) Notwithstanding any provision of the Elections Code, the board of supervisors of the City and County of San Francisco and

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of each of the counties described in subdivision (a) shall call a special election to be conducted in the City and County of San Francisco and in each of the counties that shall be consolidated with the March 2, 2004, primary election. The following question shall be submitted to the voters as Regional Measure 2 and stated separately in the ballot from state and local measures:

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"To reduce traffic congestion and to improve transit options across the San Francisco Bay, shall the Bay Area Toll Authority be authorized to undertake a revenue bond program to finance transportation congestion relief projects, including the construction of improvements to the corridors of bridges crossing the bay and mass transit projects, to be financed by tolls on those bridges that shall include an increase not to exceed one dollar (\$1) per vehicle of the current base toll rate?"

- (c) The county clerks shall report the results of the special election to the authority. If a majority of all voters voting on the question at the special election vote affirmatively, the authority shall adopt the increased toll schedule to be effective July 1, 2004.
- (d) If a majority of all the voters voting on the question at the special election do not approve the toll increase, the authority may by resolution resubmit the measure to the voters at a subsequent general election. If a majority of all of the voters vote affirmatively on the measure, the authority may adopt the toll increase and establish its effective date.
- (e) Nothing in this section affects the ability of the authority to establish tolls pursuant to Section 30918.
- SEC. 76. Section 30922 is added to the Streets and Highways Code, to read:
- 30922. Any action or proceeding to contest, question, or deny the validity of the toll increase provided for in this chapter, the financing of the transportation program contemplated by this chapter, the issuance of any bonds secured by those tolls, or any of the proceedings in relation thereto, shall be commenced within 60 days from the date of the election at which the toll increase is approved. After that date, the financing of the program, the issuance of the bonds, and all proceedings in relation thereto, including the adoption, approval, and collection of the toll increase, shall be held valid and incontestable in every respect.
- SEC. 77. Section 30950 of the Streets and Highways Code is 40 amended to read:

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30950. For the purposes of this chapter, *Chapter 4* (commencing with Section 30910), and Chapter 4.5 (commencing with Section 31000), "the authority" is the Metropolitan Transportation Commission and the Bay Area Toll Authority, which is hereby created, and is the same as. The authority is a public instrumentality governed by the same board as that governing the Metropolitan Transportation Commission. The authority is, however, a separate entity from the Metropolitan Transportation Commission.

SEC. 78. Section 30950.1 of the Streets and Highways Code is amended to read:

30950.1. The authority shall adopt an annual budget. While meeting as commissioners of the authority, the members of the Metropolitan Transportation Commission shall be compensated as determined by the authority and shall be reimbursed for necessary and reasonable expenses incurred in connection with performing authority duties as authorized by the authority. The authority shall pay all costs required by this section.

SEC. 79. Section 30950.2 of the Streets and Highways Code is amended to read:

30950.2. The authority is responsible for the programming, administration, and allocation of all toll revenues, except revenues from the seismic retrofit surcharge, from state-owned toll bridges within the *geographic* jurisdiction of the Metropolitan Transportation Commission. After completion of the seismic projects and payment or provision for the payment of all bonds issued for the seismic projects, the authority may assume responsibility for the programming, administration, and allocation of the revenue derived from the seismic retrofit surcharge.

SEC. 80. Section 30950.3 of the Streets and Highways Code is amended to read:

30950.3. (a) The authority, with the concurrence of the department, shall prepare and, adopt, and from time to time revise, a long-range plan for the completion of all projects identified in subdivisions (a), (c), and (d) of Section 30913 and in subdivision (a) of Section 30914.

(b) The authority shall not allocate any toll revenues for any capital improvement projects, except those projects included in the long-range plan required under subdivision (a) and those projects

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funded pursuant to Article 3.5 (commencing with Section 30880) 2 of Chapter 3.

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- (c) The authority shall give first priority to projects and expenditures that are deemed necessary by the department to preserve and protect the bridge structures.
- SEC. 81. Section 30950.4 of the Streets and Highways Code is amended to read:
- 30950.4. All authority of the commission California Transportation Commission as to the Bay Area bridges described in Section 30910 is transferred to the authority, except as expressly provided in this chapter.
- 12 SEC. 82. Section 30951 of the Streets and Highways Code is 13 repealed.
- 30951. Subject to the defeasance of all outstanding bonds 15 issued by the commission pledging revenues for any of the bridges identified in Section 30910, control of all revenues from all of the bridges identified in Section 30910 shall be transferred to the authority for administration. The commission shall cooperate with the authority in providing for the defeasance of those outstanding bonds not later than April 1, 1998.
 - SEC. 83. Section 30951 is added to the Streets and Highways Code, to read:
 - 30951. The authority is authorized in its own name to do all acts necessary or convenient for the exercise of its powers under this division and the financing of projects, including, but not limited to, the following:
 - (a) To make and enter into contracts.
 - (b) To employ agents or employees.
 - (c) To acquire, construct, manage, maintain, lese, or operate any public facility or improvements.
 - (d) To sue and be sued in its own name.
 - (e) To issue bonds and otherwise to incur debts, liabilities, or obligations.
- 34 (f) To apply for, accept, receive, and disburse grants, loans, and 35 other assistance from any agency of the United States of America 36 or of the State of California.
- 37 (g) To invest any money not required for the immediate 38 necessities of the authority, as the authority determines is advisable. 39

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(h) To apply for letters of credit or other forms of financial guarantees in order to secure the repayment of bonds and to enter into agreements in connection with those letters of credit or financial guarantees.

- SEC. 84. Section 30953 of the Streets and Highways Code is amended to read:
- 30953. (a)—Except for the revenues from the seismic retrofit surcharge, toll revenues and all other income derived from bridges pursuant to Chapter 4 (commencing with Section 30910) shall be deposited in the Bay Area Toll Account, which is hereby created.
- (b) On or before July 1, 1998, the department shall transfer to the Bay Area Toll Account all revenues and existing fund balances collected on or before that date on the bridges that are subject to Chapter 4 (commencing with Section 30910).
- SEC. 85. Section 30956 of the Streets and Highways Code is repealed.
- 30956. Maintenance of the bridges described in Section 30910 shall continue to be funded by the state in accordance with procedures for funding maintenance of these bridges during the 1986–87 fiscal year. The state, acting through the department, shall continue to pay for the maintenance of the bridges pursuant to Section 188.4.
- SEC. 86. Section 30958 of the Streets and Highways Code is amended to read:
- 30958. After payments for debt service on outstanding bonds, and the costs for the operation and maintenance expenses set forth in Section 30952 are provided for, the authority may retain, for its cost in administering this article, an amount not to exceed 1 percent of the gross *annual bridge* revenues collected from tolls annually on the bridges.
- 31 SEC. 87. Section 30960 of the Streets and Highways Code is 32 amended to read:
- 33 30960. (a) The authority may issue both defeasance and 34 future capital project bonds payable from the revenues of the tolls 35 imposed on the bridges described in Section 30910. The bonds or 36 commercial paper may be issued by the authority at any time, and 37 from time to time, payable from the revenues from the tolls. The
- 38 bonds or commercial paper shall be referred to as "toll bridge
- 39 revenue bonds."

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(b) The revenues from the tolls on the bridges described in Section 30910 shall be subject to a statutory lien in favor of the bondholders to secure all amounts due on the bonds and in favor of any provider of credit enhancement for the bonds to secure all amounts due to that provider with respect to those bonds, and the lien shall immediately attach to those toll revenues and be effective, binding, and enforceable against the authority, its successors, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act, and the toll revenues shall remain subject to that lien until all bonds are paid in full or provision made therefor, and the bridges shall not become toll-free prior to that time.

- (c) The liens on toll revenues created by this chapter shall be subject to expenditures for operation and maintenance of the bridges and to expenses related to the, including toll collection—of tolls, unless those expenditures are otherwise provided for by statute.
- (d) Interest on any bonds issued pursuant to this chapter shall at all times be free from state personal income tax and corporate income tax.
- (e) The Treasurer shall serve as agent for sale of the bonds or commercial paper, or both, of the authority in accordance with Chapter 9 (commencing with Section 5700) of Division 6 of Title 1 of the Government Code and, in his or her discretion, may serve as trustee or fiscal agent for those bonds or commercial paper, or both.
- SEC. 88. Section 30961 of the Streets and Highways Code is amended to read:
- 30961. Toll bridge revenue bonds shall be issued pursuant to a resolution adopted at any time, and from time to time, by the authority by a majority vote of all members of the authority.
- (a) The authority may from time to time issue bonds in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), for the purpose of constructing, improving, or equipping any of the bridges or for any of the purposes authorized by this chapter, Chapter 4 (commencing with Section 30910), or Chapter 4.5 (commencing with Section 31000). Operation of the bridges or any grouping or units thereof

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- 1 shall constitute an "enterprise" within the meaning of Section
- 2 54309 of the Government Code, and the authority shall constitute
- 3 a "local agency" within the meaning of Section 54307 of the
- 4 Government Code. Article 3 (commencing with Section 54380) of
- 5 Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code
- shall not apply to the issuance and sale of bonds pursuant to this
- 7 chapter. Instead, the authority shall authorize the issuance of bonds
- 8 by resolution, and that resolution shall specify all of the following:
 - (1) The purposes for which the bonds are to be issued.
 - (2) The maximum principal amount of the bonds.
 - (3) The maximum term for the bonds or commercial paper.
 - (4) The maximum rate of interest to be payable upon the bonds or commercial paper. That interest rate shall not exceed the maximum rate specified in Section 53531 of the Government Code. The rate may be either fixed or variable and shall be payable at the times and in the manner specified in the resolution.
 - (b) The authority shall keep full, and complete, and separate accounts of each for toll bridge revenues and expenses of the toll bridges and shall annually prepare balance sheets and income and profit and loss statements showing the financial condition of each the entire toll bridge enterprise as well as toll revenues and operating costs for each toll bridge. The accounts and related reports shall be maintained and prepared in accordance with generally accepted accounting practices and shall be subject to an annual audit conducted by an independent certified public accountancy firm licensed to practice in the state.
 - SEC. 89. Section 31000 of the Streets and Highways Code is amended to read:
 - 31000. The following definitions apply for purposes of this chapter:
- 31 (a) "Account" means the Toll Bridge Seismic Retrofit 32 Account created pursuant to Section 188.10.
 - (b) "Amenities" means any of the following:
- 34 (1) A cable suspension bridge.
 - (2) A bicycle facility.
- 36 (3) A transbay terminal.
 - (c) "Authority" means the Bay Area Toll Authority.
- 38 (d) "Bay area bridges" means the state-owned toll bridges in
- 39 the region within the area of the geographic jurisdiction of the
- 40 Metropolitan Transportation Commission.

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(e) "Department" means the Department of Transportation.

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- (f) "Seismic retrofit" means all work completed by the department on the bay area bridges relating to the planning, design, and construction of improvements to, or replacement of, those bridges for the purpose of withstanding seismic forces, including, but not limited to, any environmental or traffic mitigation necessary for that work.
- (g) "Surcharge" means the seismic retrofit surcharge imposed pursuant to Section 31010.
- SEC. 90. Section 31010 of the Streets and Highways Code is amended to read:
- 31010. (a) There is hereby imposed a seismic retrofit surcharge equal to one dollar (\$1) per vehicle for passage on the bay area bridges, except for vehicles that are authorized toll-free passage on these bridges.
- (b) Funds generated by subdivision (a) may not be used to repay nontoll revenues committed to fund projects identified in paragraph (2) of subdivision (a) of Section 188.5. Following the date of the submission of the final report required in subdivision (d) of Section 188.5, funds generated pursuant to subdivision (a) that are in excess of those needed to meet the toll commitment as specified by paragraph (4) of subdivision (b) of Section 188.5, including annual debt service payments, if any, required to support the commitment, and other elements required to meet the obligations of the department's financing plan, shall be available to the authority for funding, consistent with Sections 30913 and 30914, the purposes and projects described in those sections. The department shall transfer to the authority on an annual basis the funds made available to the authority under this subdivision upon receiving notification from the authority that the governing board of the authority has passed a resolution, by majority vote, requesting that transfer.
- (c) There shall be no increase in tolls the seismic retrofit surcharge beyond the level identified in subdivision (a) for the purposes identified in paragraph (4) of subdivision (a) of Section 188.5, except that the department shall have the authority to increase the seismic retrofit surcharge for debt service purposes only if the bank finds and the Department of Finance confirms that both of the following apply:

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(1) Extraordinary circumstances exist that jeopardize the payment of debt service for which toll revenues are authorized, and all other financial resources for meeting toll commitments have been exhausted.

- (2) Bonds issued under Chapter 4.3 (commencing with Section 30950) shall not be impaired solely by action taken under this section, as evidenced by confirmation of the then existing ratings on those bonds, by the rating agencies then rating the bonds.
- (d) The department shall extend the term of the financing plan developed by the department under Section 31071, for the purposes of funding the projects described in Sections 30913 and 30914, is extended for a period of not more than 30 years commencing on January 1, 2008, if both of the following conditions apply:
- (1) The authority submits a request for the extension to the department on or before October 15, 2001, or on a later date requested by the authority and approved by the director.
- (2) The Director of Transportation determines that the extension would satisfy the financial requirements of the federal Department of Transportation.
- (e) This section shall remain in effect only until the date that the California Transportation Commission notifies the Secretary of State that sufficient funds have been generated to meet the obligations identified in paragraph (4) of subdivision (b) of Section 188.5, and repayment of any outstanding debt secured by tolls, and as of that date is repealed. The California Transportation Commission shall provide the notice described in this subdivision upon making the determination set forth in this subdivision.
- SEC. 91. Section 5205.5 of the Vehicle Code is amended to 30 read:
 - 5205.5. (a) For the purposes of implementing Section 21655.9, beginning July 1, 2000, and through December 31, 2003, the department, in consultation with the Department of the California Highway Patrol, shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for actual costs incurred pursuant to this section, distinctive decals, labels, or other identifiers for vehicles that meet California's ultra-low emission vehicle (ULEV) standard for exhaust emissions and the federal ILEV evaporative emission standard, as defined in Part 88 (commencing with Section

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88.101-94) of Title 40 of the Code of Federal Regulations, in a manner that clearly distinguishes them from other vehicles.

- (b) For the purposes of implementing Section 21655.9, beginning January 1, 2004, and through December 31, 2007, the department shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for actual costs incurred pursuant to this section, distinctive decals, labels, and other identifiers for vehicles that meet California's super ultra-low emission vehicle (SULEV) standard for exhaust emissions and the federal inherently low-emission vehicle (ILEV) evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations, in a manner that clearly distinguishes them from other vehicles.
- (c) The department shall include a summary of the provisions of this section on each motor vehicle registration renewal notice, or on a separate insert, if space is available and the summary can be included without incurring additional printing or postage costs.
- (d) The Governor may remove individual high-occupancy vehicle (HOV) lanes, or portions of those lanes, during periods of peak congestion from the ILEV access provisions provided in subdivisions (a) and (b), following a finding by the Department of Transportation as follows:
- (1) The lane, or portion thereof, exceeds a level of service C, as discussed in subdivision (b) of Section 65089 of the Government Code.
- (2) The operation or projected operation of the vehicles described in subdivisions (a) and (b) in these lanes, or portions thereof, will significantly increase congestion.

The finding also shall demonstrate the infeasibility of alleviating the congestion by other means, including, but not limited to, reducing the use of the lane by noneligible vehicles, further increasing vehicle occupancy, or adding additional capacity.

(e) For purposes of subdivisions (a) and (b), the Department of the California Highway Patrol shall design and specify the placement of the decal, label, or other identifier on the vehicle. Each decal, label, or other identifier issued for a vehicle shall display a unique number, which number shall be printed on, or affixed to, the vehicle registration.

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(f) If the Metropolitan Transportation Commission, serving as the Bay Area Toll Authority, grants toll-free and reduced-rate passage on toll bridges under its jurisdiction to any vehicle pursuant to Section 30101.8 30102.5 of the Streets and Highways Code, it shall also grant the same toll-free and reduced-rate passage to vehicles displaying a valid ULEV or SULEV identifier issued by the department pursuant to subdivisions (a) and (b).

(g) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date. SEC. 92. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.